

Message Text

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ACTION ARA-06

INFO OCT-01 SS-14 ISO-00 INR-05 CIAE-00 NSC-05 NSCE-00
EB-04 SP-02 TRSE-00 OMB-01 L-01 PRS-01 USIA-01 SIL-01
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FM AMEMBASSY KINGSTON

TO SECSTATE WASHDC 4051

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY GEORGETOWN

AMEMBASSY NASSAU

AMEMBASSY PORT

C O N F I D E N T I A L SECTION 1 OF 2 KINGSTON 0688

LIMDIS

FROM AMBASSADOR

E.O. 11652: GDS

TAGS: PFOR, JM

SUBJECT: OPPOSITION VIEWS

REFERENCE: (A) KINGSTON 564 (B) KINGSTON 667

1. AT BREAKFAST MEETING FEB 10 WITH OPPOSITION LEADER EDDIE SEAGA, HE DESCRIBED THE PRESENT SITUATION IN BUSINESS AND PROFESSIONAL CIRCLES AS APPROACHING PANIC. THE IMMEDIATE CAUSE WAS THE WIDELY-BELIEVED RUMOR THAT EXIT PERMITS WOULD BE IMPOSED BY THE GOVERNMENT, THE MOST PERSISTENT OF WHICH WAS THAT THERE WOULD BE A VIRTUAL BAN ON THE EMMIGRATION OF PEOPLE WITH SKILLS, AND THAT AFTER APRIL 30 NOBODY WOULD BE PERMITTED TO LEAVE WITH MORE THAN \$300. HE SAID THAT HE HAD NO CONFIRMATION OF ANY DECISION BUT HE KNEW IT WAS BEING DISCUSSED BY THE GOVERNMENT. HE SAID THAT THE ATMOSPHERE WAS
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CURRENTLY SUCH THAT ALMOST ANY RUMOR WAS NOW BELIEVED AND THAT THIS WAS SYMTOMATIC OF THE WIDESPREAD DOUBT, UNCERTAINTY, AND LACK OF CONFIDENCE IN THE GOVERNMENT.

2. HE SAID THAT THE CRITICAL SITUATION HE HAD FORECAST DURING THE ELECTION IN THE EVENT OF A PNP VICTORY WAS APPROACHING MUCH FASTER THAN HE HAD EVEN

THEN THOUGHT POSSIBLE. HE PREDICATED THIS OPINION
ON THE FOLLOWING POINTS:

(1) THE FOREIGN EXCHANGE AND BALANCE OF PAYMENTS
PROBLEMS WOULD NOT BE RESOLVED BY ANTICIPATED CREDITS
FROM TRINIDAD AND TOBAGO OR VENEZUELA, AND THAT THE
DECISION TO REDUCE IMPORTS TO SOME \$600 MILLION WAS
UNREALISTIC SINCE THERE WERE ALREADY OUTSTANDING
OBLIGATIONS OF \$180 MILLION AND THIS FIGURE WOULD
HAVE TO BE SUBTRACTED FROM THE IMPORT TARGET FOR 1977
AND COULD NOT BE CARRIED OVER TO 1978 AS THE GOVERN-
MENT APPARENTLY WISHED SINCE NOBODY WOULD NOW EXTEND
CREDITS TO JAMAICAN IMPORTERS.

(2) INTERNAL ECONOMIC PROBLEMS WOULD SHORTLY BE
GREATLY AGGRAVATED AS THE RESULT OF THE PUBLICATION
FEBRUARY 9 OF A LONG LIST OF BANNED IMPORT
ITEMS. THE BANKS HAD DELAYED MANY INCIPIENT FORE-
CLOSURES WAITING FOR THIS LIST TO DETERMINE WHICH
BUSINESSES MIGHT SURVIVE. HE PREDICTED AN ACCELE-
RATED RATE OF VOLUNTARY AND INVOLUNTARY LIQUIDATIONS.

(3) THE OFFICIAL UNEMPLOYMENT FIGURES SHOWED A
40,000 INCREASE IN UNEMPLOYED DURING 1976, HE THOUGHT
THAT THIS FIGURE WOULD HAVE TO BE INCREASED BY AT
LEAST 30,000 BEFORE THE MIDDLE OF THE YEAR.

(4) THE UNWIELDY GOVERNMENT COMMITTEE WHICH HAS BEEN
SET UP TO PROVIDE A "PRODUCTION PACKAGE" AND AN ECONOMIC
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PLAN WAS COMPLETELY INCAPABLE OF COMING UP WITH AN
ADEQUATE SOLUTION. EVEN IF THIS GROUP WERE TO PRODUCE
A SATISFACTORY PLAN, THE BUREAUCRACY LACKED THE CAPA-
BILITY TO IMPLEMENT IT.

(5) THESE FACTORS, COUPLED WITH INFLATION, SHORTAGES,
AND OTHER GOVERNMENT RESTRICTIONS COULD CAUSE SUB-
STANTIAL UNREST BY MID-YEAR.

(6) SEAGA SAID THAT THERE WERE ADDITIONAL UNSTABILIZING
FACTORS WHICH HAD TO BE TAKEN INTO ACCOUNT. AMONG
THESE HE INCLUDED THE REMA INCIDENT (REF (A), WHICH HE
CHARACTERIZED AS A UNBRIDLED PIECE OF THUGGERY WHICH
THE GOVERNMENT WAS ATTEMPTING TO WHITEWASH BY SET-
TING UP A PARLIAMENTARY COMMITTEE OF INQUIRY, TO WHICH
HE HAD NOT AGREED, UNDER MINISTER MCNEILL. THIS
INCIDENT HAD NOW COMPLETELY POLARIZED THE CABINET
AND HE WAS DOUBTFUL THAT THE PRIMIN WOULD OR COULD
DISCIPLINE MINISTER OF HOUSING SPAULDING. A MINISTER'S

WIFE (ORIGINALLY RUMORED TO HAVE BEEN MRS. MCNEILL BUT WHO HE NOW BELIEVES TO BE MRS. MUNN, WIFE OF THE MINISTER OF NATIONAL SECURITY), HAD BEEN APPREHENDED ATTEMPTING TO LEAVE THE COUNTRY WITH \$30,000 IN ILLEGAL FUNDS. FINALLY, THE SHORTLY TO BE RELEASED RESULTS OF INQUIRIES INTO THE GENERAL ELECTIONS WOULD EXPOSE WIDESPREAD ILLEGALITY AND CHICANERY.

3. MR. SEAGA THINKS THAT ALL THE ABOVE CONSIDERATIONS WILL INEVITABLY LEAD TO A LOSS OF CONFIDENCE IN THE GOVERNMENT. HE FEELS THAT THE INITIAL MANIFESTATION WILL TAKE THE FORM OF RESISTENCE TO GOVERNMENT DECREES, NON-COOPERATION BY THE UNIONS, AND GENERAL BREAKDOWN OF GOVERNMENT FUNCTIONS. UNLESS FIRM AND CONCERTED ACTION IS TAKEN, CIVIL DISORDER WILL EASILY FOLLOW. HE SAYS HE RECOGNIZES HIS RESPONSIBILITY NOT IRRESPONSIBLY TO INFLAME THE POPULATION AND THAT IT IS POSSIBLE THAT

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AT SOME POINT THE GOVERNMENT WILL ASK FOR THE OP-POSITION'S COOPERATION IN A MEANINGFUL WAY. HE DOES NOT, HOWEVER, APPARENTLY ENVISAGE ANY FORM OF COALITION GOVERNMENT AND SAYS THAT HIS STRATEGY WILL BE TO DIVERT ANY DISSENT AND UNREST INTO POLITICAL CHANNELS AND TO TRY TO FORCE ANOTHER GENERAL ELECTION.

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C O N F I D E N T I A L SECTION 2 OF 2 KINGSTON 0688

LIMDIS

FROM AMBASSADOR

4. COMMENT: I WOULD AGREE THAT THERE IS A GENERAL ATMOSPHERE OF HYSTERIA CLOSE TO PANIC IN BUSINESS CIRCLES. THIS IS SPREADING DOWNWARDS TO THE UPPER WORKING CLASS AND SKILLED ARTISAN SECTOR. WE HAVE NO CONFIRMATION OF PLANNED TRAVEL RESTRICTIONS OTHER THAN THAT IMPOSED BY THE EXISTENT \$50 ALLOWANCE IN FOREIGN EXCHANGE EXCEPT FOR BUSINESSMEN WHO CAN PROVE AN EXPORT-RELATED ACTIVITY. THERE ARE FEW JAMAICANS OUTSIDE OF THE GOVERNMENT ENCOUNTERED IN THE NORMAL COURSE OF EMBASSY REPRESENTATION WHO HAVE NOT ALREADY PLANNED OR ARE PLANNING DEPARTURE. THE MAJORITY OF THOSE WHO HAD FOREIGN ASSETS HAVE ALREADY LEFT. THE WIVES AND CHILDREN OF MANY WHO REMAIN HAVE LEFT AND I THINK IT IS ONLY A MATTER OF TIME BEFORE RESTRICTIONS ARE PLACED ON SHIPMENT OF FURNITURE OR HOUSEHOLD GOODS. I ALSO AGREE ON SEAGA'S ASSESSMENT OF THE GOVERNMENT'S PLANNING CAPABILITY. ASIDE
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FROM THE FACT THAT IT HAS FAILED NOTABLY IN THIS AREA DURING THE PAST FIVE YEARS, IT WOULD NOT APPEAR THAT THE TEN LARGE COMMITTEES (SEE REF (B)) SET UP UNDER THE OVERALL CHAIRMANSHIP OF RICHARD FLETCHER BUT "COORDINATED" BY KNOWN LEFTIST NORMAN GIRVAN WITH A PROLIFERATION OF LEFTIST ACADEMIC ADVISERS COULD POSSIBLY COME UP WITH ANY COHERENT "PRODUCTION PACKAGE" LET ALONE IMPLEMENT IT. THE REMA AFFAIR WAS AN ESPECIALLY UGLY INCIDENT WHICH HAS SHAKEN THE CONFIDENCE OF MANY HITHERTO FIRM SUPPORTERS OF THE PNP GOVERNMENT AND UNDERMINED ITS MORALISTIC STANCE. THERE IS NO SIGN YET OF ANY FIRM OR EFFECTIVE ACTION BY THE PRIME MINISTER, AND I DOUBT WHETHER THERE WILL BE ANY.
GERARD

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